GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:2061
ANSWERED ON:27.07.2017
Auctioning of Road Projects
Mani Shri Jose K.

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the National Highways Authority of India (NHAI) proposes to switch over to a new mechanism for auctioning road projects, if so, the details thereof;

(b) whether the new mechanism to be adopted for auctioning of highway projects will focus on the internal rate of return (IRR), if so, the details thereof;

(c) whether depending on the slab of IRR, the projects are classified for new biddings as BOT with 15% IRR and at lower slabs under Hybrid Annuity Model and EPC; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI PON. RADHAKRISHNAN)

(a) to (b) Yes Madam. NHAI is in the process of monetization of operational public funded NH assets through the Toll-Operate-Transfer (ToT) Model based on CCEA approval of August 2016. As per the Model, the right of collection of Toll Fees for such projects is to be assigned for a pre-determined 30 year concession period to concessionaires (developers/investors) against upfront payment of a lump-sum amount. O&M obligations of such projects shall be with the concessionaire till the completion of concession period. Initially, 75 Public funded NH projects with aggregate length of 4,500 km and annual toll revenue collection of around Rs. 2,700 crores have been identified under the Model. Preparatory activities including finalization of the Model Concession Agreement and RFP document has been completed and the first round of bidding for ToT projects is to be held shortly.

(c) to (d) A standardized process of determining the mode of delivery of individual projects is followed at MoRTH/NHAI which is based on a waterfall mechanism as per recommendations of the B.K. Chaturvedi Committee dated 2009. BOT (Toll) mode continues to be the preferred delivery mode. Currently, projects requiring up to 20% of Total Project BOT (Toll) mode, those requiring up to 40% are bid out on Hybrid Annuity Mode and projects not viable on PPP and requiring VGF above 40% of TPC are taken up under public funded EPC mode.

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